

Foundational Principles for Interstate Compliance

State Compliance

Foundational Principles:

- For purposes of consumer protection and protecting state interests, any activity that occurs in a state other than the home state of the institution, the institution has the responsibility to determine if state laws or regulations apply when the activity occurs in that state.
 - Education related activities (online & face-to-face courses, internships, program approval, etc.)
 - Employment related activities (staff and faculty working from a different state)
- Approvals, registrations, and other requirements may be overseen by a variety of state agencies.
 - Higher Education Agencies – state institutional approval
 - State Licensing Boards – program approval for programs leading to a license or certification.
 - Secretary of State – generally speaking, when activities amount to doing business including employees working from the state.
 - Department of Taxation – addressing employees: state income tax, could include tax related issues tied to providing certain health care benefits.
 - Department of Labor – some states have internship related requirements as well as requirements required workers compensation insurance for employees working in the state.

Federal Compliance

Foundational Principles:

- State authorization/professional licensure related Federal Regulations tie compliance to the institution's participation in Title IV HEA programs to provide Federal Financial Aid.
- Federal regulations related to out-of-state activity compliance and distance education include:
 - State Authorization - 34 CFR 600.9(c)
 - Definition of state authorization reciprocity agreement – 34 CFR 600.2 Definitions
 - Professional Licensure Notifications - 34 CFR 668.3(a)(5)(v) & 668.43(c)
 - Contact information for filing complaints - 34 CFR 668.43(b)
 - Misrepresentation – Scope and Def: 34 CFR 668.71-72

Reciprocity for State Institutional approval by participation in State Authorization Reciprocity Agreements

Foundational Principles:

- As an alternative for state-by-state approval, reciprocity through State Authorization Reciprocity Agreements (SARA) offers participating institutions the institutional approval to offer activities subject to SARA oversight, as specified in the [SARA Manual](#), in other SARA member states. SARA does not include program approval and employment issues.
- Activities not subject to SARA oversight require the institution to follow state-by-state institutional approval requirements as designated by the state.

Note: This document was created by the [State Authorization Network \(SAN\)](#) a division of WCET. Regulatory language and references are subject to change. The information should not be considered legal advice. Legal questions should be directed to legal counsel.